

## **Accessible Homes for Seniors (AHFS) Frequently Asked Questions**

- 1. What does the AHFS program do?**
- 2. Why can't I just get a grant instead of a loan?**
- 3. Do you have to have an existing disability to use this program?**
- 4. What happens at the end of the 30 year deferral period and I still live in the house? Do I have to pay the money back in a lump sum?**
- 5. What happens if I sell my house or if I transfer it to my adult child's name?**
- 6. How does the loan get repaid if I should pass away?**
- 7. What if I want to refinance my house and take cash out of the deal for a vacation and some new furniture? Does the AHFS lien have to be settled?**
- 8. Is this some kind of reverse equity mortgage?**
- 9. Would participating in this program prevent me from getting a reverse equity mortgage?**
- 10. Can I pay off the loan on a monthly basis?**
- 11. My house is paid for and my children think borrowing any money against it may not be a safe idea. Are they right?**
- 12. What if I live in a trailer or manufactured home? Can I apply for a loan?**
- 13. My wife and I live in a condominium. Can we apply?**
- 14. I am 60 years old but my spouse is only 52. Can we apply?**
- 15. My elderly parents live with me. Can I get a loan to make my house more accessible for them?**
- 16. I want to add a bedroom and bathroom for a live-in caregiver. Is that eligible?**
- 17. Can we get a loan to make our vacation home accessible?**
- 18. What kinds of improvements can I make?**
- 19. Is a stair glide eligible?**
- 20. What if I also need a new roof and central air conditioning?**
- 21. Why do you ask for a copy of my deed?**
- 22. My income is over the limit by \$100. Can I still apply?**
- 23. My annual income meets the test but I own some other property. Is there an asset test that would exclude me?**
- 24. How do I apply? Is help available filling out the application?**
- 25. I'm in a wheelchair and don't have transportation to the Aging Office, but need help with the application.**
- 26. I have bad credit. Will that stop me from getting help?**
- 27. I rent my house but need some doors widened to accommodate my wheelchair. Can my landlord apply?**
- 28. After I am approved, how will I find a reliable contractor to do the work?**
- 29. Who hires the contractor and how does he/she get paid?**
- 30. What if the estimate for the work is over \$15,000?**

**1. What does the AHFS program do?**

A. The intent is to prepare homeowners ages 55+ for aging in place. Since many aging adults prefer to remain in their own homes rather than to move in with a relative or to another facility, this program enables them to make needed accessibility improvements – widening doorways to accommodate a wheelchair, adding grab bars in the bathroom, maybe even adding a shower to a first level half bath to eliminate climbing stairs.

**2. Why can't I just get a grant instead of a loan?**

A. State law requires that the source of State funds used for this program be distributed as loans. However, the loans are zero percent interest and payments are deferred for 30 years.

**3. Do you have to have an existing disability to use this program?**

A. No. You can participate in this program to prepare your home for your future in anticipation of spending many more years there.

**4. What happens at the end of the 30 year deferral period and I still live in the house? Do I have to pay the money back in a lump sum?**

A. If you still live there at the end of the 30 year term, the State can extend the deferral period if you are unable to repay the loan at that time.

**5. What happens if I sell my house or if I transfer it to my adult child's name?**

A. If the house is sold, the money has to be paid back from the proceeds. However, if the house is transferred to a family member and you still reside there as your primary residence, repayment is not triggered.

**6. How does the loan get repaid if I should pass away?**

A. The loan becomes payable from the proceeds only when the house is sold or transferred. If your spouse continues to live there, then the deferral period continues.

**7. What if I want to refinance my house and take cash out of the deal for a vacation and some new furniture? Does the AHFS lien have to be settled?**

A. Yes, if you take cash out of the refinancing, the AHFS loan must be repaid in full. If you are just refinancing to adjust your interest rate with no cash out, immediate repayment of the AHFS loan is not required.

**8. Is this some kind of reverse equity mortgage?**

A. No, it is not. It is a very safe, zero percent deferred loan, with no payments for 30 years.

**9. Would participating in this program prevent me from getting a reverse equity mortgage?**

A. Yes. The lien would have to be satisfied before you could take the equity from the home

**10. Can I pay off the loan on a monthly basis?**

A. The program is designed for the loan to be paid at the end of the deferral period. It could be set up with a monthly payment at your request, but it is not necessary.

**11. My house is paid for and my children think borrowing any money against it may not be a safe idea. Are they right?**

A. You and your children must decide what is best for you. If you need accessibility improvements to remain in your home, this is one of the easiest and least expensive ways to get them. The other options are to have your children chip in for the improvements, take it from your personal savings or perhaps move in with a family member or to an assisted living facility.

**12. What if I live in a trailer or manufactured home? Can I apply for a loan?**

A. You can if the unit is permanently affixed to a foundation and you own the land beneath it as well.

**13. My wife and I live in a condominium. Can we apply?**

A. Yes, but condo applications are considered on a case by case basis and may be affected by restrictions of your condominium covenants.

**14. I am 60 years old but my spouse is only 52. Can we apply?**

A. Yes, only one of you must be at least 55.

**15. My elderly parents live with me. Can I get a loan to make my house more accessible for them?**

A. Loans of this type are considered on a case-by-case basis. The program has income limits and, in such a case, the owner's income must also be considered.

**16. I want to add a bedroom and bathroom for a live-in caregiver. Is that eligible?**

A. Adding a bedroom and bath on the main level for the homeowner is an eligible improvement. However, an addition for a caregiver will be considered on a case by case basis at the discretion of the Program.

**17. Can we get a loan to make our vacation home accessible?**

A. No, the home must be your principal residence.

**18. What kinds of improvements can I make?**

A. The most likely improvements would include ramps, widening doorways, installing grab bars, adding a first floor laundry facility or bathroom, and changing door and sink hardware to lever style handles.

**19. Is a stair glide eligible?**

A. Yes.

**20. What if I also need a new roof and central air conditioning?**

A. Then you may be a candidate for the regular Maryland Housing Rehabilitation Loan Program. The program, which funds essential home repairs, is similar except there may be a monthly payment and a higher interest rate on the loan. It is based on your ability to pay. If you need accessibility improvements as well, that portion can be deferred.

**\*21. Why do you ask for a copy of my deed?**

A. We must establish that you are the owner of record on the property. If there are other names on the deed, they must provide consent.

**22. My income is over the limit by \$100. Can I still apply?**

A. Unfortunately not. There are established income limits that must be followed.

**23. My annual income meets the test but I own some other property. Is there an asset test that would exclude me?**

A. No.

**24. How do I apply? Is help available filling out the application?**

A. All 19 local Area Offices on Aging are accepting applications. Contact information is on our website at [www.dhcd.state.md.us/Website/programs/ahsp/ahsp.aspx](http://www.dhcd.state.md.us/Website/programs/ahsp/ahsp.aspx)

**25. I'm in a wheelchair and don't have transportation to the Aging Office, but need help with the application.**

A. Contact the local Area Office on Aging and they can make arrangements to take the application in your home, if necessary.

**26. I have bad credit. Will that stop me from getting help?**

A. Not necessarily, but outstanding federal or State tax liens, an open bankruptcy or foreclosure will prohibit the Department from making the loan.

**27. I rent my house but need some doors widened to accommodate my wheelchair. Can my landlord apply for the deferred loan?**

A. Not at this time. Landlords with 1-4 units can apply to the Maryland Housing Rehabilitation Program. Those loans carry a higher interest rate and possibly shorter term, based on the landlord's ability to repay.

**28. After I am approved, how will I find a reliable contractor to do the work?**

A. Based on an inspection of your property that will be conducted by DHCD staff or the local government housing network staff, a work write up will be prepared, listing all the work to be done. You will take that write up and ask one or more contractors to give you a bid. If you need help finding a contractor, the State can share the names of some who have done work in your area. We cannot recommend one over another, however.

**29. Who hires the contractor and how does he/she get paid?**

A. The homeowner hires the contractor. As the work progress, an inspector from DHCD or the local government housing network will come out, inspect and will authorize payments to the contractor after the homeowner agrees the work is satisfactory. DHCD will process the check request and send a two party check made to both the homeowner and the contractor to the homeowner. The homeowner signs the check and delivers it to the contractor.

**30. What if the estimate for the work is over \$15,000?**

A. There is no set loan limit. We anticipate the average loan to be around \$10,000 -15,000 but it can be more.